KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use:

Effective Date: 1-22-2001
District #: 4
SGA? _No_ Yes__

Expected Spud Date __January 16, 2001__

OPERATOR: License#: 31609
Name: Priority Oil & Gas LLC
Address: 633 17th St., Ste 1520
City/State/Zip: Denver, CO 80202
Contact Person: Robbie Gries
Phone: 303-296-3435

CONTRACTOR: License#: 8273
Name: Excell Drilling Company

Well Drilled For: __Oil__ 
Well Class: __Infield__ Type Equipment: __Mud Rotary__

Is this a Prorated / Spaced Field? _No_ Yes __
Target Formation(s): Niobrara

Field Name: cherry creek

County: Cheyenne
Lease Name: St. Francis Feedyard well: 2-7

Nearest Lease or unit boundary: 1137' to east
Ground Surface Elevation: 3460 ft.

Water well within one-quarter mile: _No__ Yes __
Public water supply well within one mile: _No__ Yes __

Depth to bottom of fresh water: 250 feet MSL
Depth to bottom of usable water: 250 feet MSL

Surface Pipe by Alternate: _Yes__ No __
Length of Surface Pipe Planned to be set: 300'
Length of Conductor Pipe required: none

Projected Total Depth: 1500 ft.

Formation at Total Depth: Niobrara

Water Source for Drilling Operations:
Well __Other__ City Water

DWR Permit #: __Yes__ No __
Wells on same segment of lease: _No__ Yes __

Will Cores be taken? _Yes__ No __

Bottom Hole Location: __
KCC DKT #: __

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:
1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. _In all cases, NOTIFY district office prior to any cementing._

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 1-11-01 Signature of Operator or Agent: 

For KCC Use ONLY

API # 15 - 023-20388-0000

Conductor pipe required: _None__ feet
Minimum surface pipe required: 300 feet per Alt. 1
Approved by: JK 1-17-2001
This authorization expires: 7-17-2001
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent: __

Mailing address: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - ______________________________ Location of Well: County: ______________________________
Operator: ______________________________ feet from S / N (circle one) Line of Section
Lease: ______________________________ feet from E / W (circle one) Line of Section
Well Number: ______________________________ Sec. ______ Twp. _______ S. R. _______ □ East □ West
Field: ______________________________
Number of Acres attributable to well: ______________________________
QTR / QTR / QTR of acreage: ______________________________

Is Section _______ Regular or _______ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: _______ NE _______ NW _______ SE _______ SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached. (CO-7 for oil wells; CG-8 for gas wells).